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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

Internal Audit Section

Carnahan Courthouse Building
1114 Market St., Room 608
St. Louis, Missouri 63101
(314) 622-4723
Fax: (314) 613-3004

March 15, 2005

Ms. Mary Cron, Director
Grace Hill Patch Center
7925 Minnesota
St. Louis, MO 63111

RE: Fiscal Monitoring Report of Grace Hill Patch Center (2005-SLA4)

Dear Ms. Cron:

Enclosed is a report of our fiscal monitoring review of Grace Hill Patch Center's contract with the Department of Human Services (Contract #48987) for the period July 1, 2004 through September 31, 2004. The scope of a fiscal monitoring review is substantially less than an audit, and as such, we do not express an opinion on the financial operations of Grace Hill Patch Center. Our fieldwork was substantially completed on December 15, 2004.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and through an agreement with the Department of Human Services to provide fiscal monitoring to all grant sub-recipients. If you have any questions, please contact Dwayne Crandall at 613-7257.

Sincerely,

Mohammad Adil, CPA
Internal Audit Manager

cc: Honorable Darlene Green, Comptroller
Patrick Brennan, Accounting Manager, Department of Human Services

Enclosure



CITY OF ST. LOUIS

*DEPARTMENT OF HUMAN SERVICES (DHS)
ST. LOUIS AREA AGENCY ON AGING (SLAAA)*

*GRACE HILL PATCH CENTER
DOCUMENT #48987*

FISCAL MONITORING REVIEW

JULY 1, 2004 THROUGH SEPTEMBER 30, 2004

PROJECT #2005-SLA4

DATE ISSUED: MARCH 15, 2005

*Prepared by:
The Internal Audit Section*



OFFICE OF THE COMPTROLLER

Honorable Darlene Green, Comptroller

CITY OF ST. LOUIS
DEPARTMENT OF HUMAN SERVICES (DHS)
ST. LOUIS AREA AGENCY ON AGING (SLAAA)
GRACE HILL PATCH CENTER
FISCAL MONITORING REVIEW
JULY 1, 2004 THROUGH SEPTEMBER 31, 2004

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**CITY OF ST. LOUIS
DEPARTMENT OF HUMAN SERVICES (DHS)
ST. LOUIS AREA AGENCY ON AGING (SLAAA)
GRACE HILL PATCH CENTER
FISCAL MONITORING REVIEW
JULY 1, 2004 THROUGH SEPTEMBER 31, 2004**

INTRODUCTION

Background

Contract Name: Grace Hill Patch Center

Contract Period: July 1, 2004 through June 30, 2005

Contract Amount: \$13,839

Contract Number: 48987

The funds are used to provide services such as congregate and home delivered meals for elderly and disabled residents of the City of St. Louis, in accordance with Title III of the Older Americans Act.

Purpose

Our purpose was to determine Grace Hill Patch Center's compliance with federal, state and local Department of Human Service (DHS) requirements for the period July 1, 2004 through September 31, 2004 and make recommendations for improvements.

Scope and Methodology

We made inquiries regarding Grace Hill Patch Center's internal controls relating to the grant administered by St. Louis Area Agency on Aging (SLAAA), tested evidence supporting the reports the agency submitted to SLAAA and performed other procedures considered necessary. Our fieldwork was substantially completed on December 15, 2004. On January 3, 2005, we provided the Agency with our observations and requested a response by January 14, 2005. However, as of the date of this report, Management had not responded.

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CONCLUSION AND SUMMARY OF OBSERVATIONS

Conclusion

Grace Hill Patch Center did not fully comply with federal, state and local Department of Human Services' requirements.

Status of Prior Observations

The prior fiscal monitoring review, dated March 26, 2004 noted three observations:

1. Program income was not accurately reported. **(Repeated. See current observation.)**
2. Eligible clients did not sign for their Congregate Meals. **(Resolved.)**
3. Financial reports were not submitted on time. **(Resolved.)**

A-133 Status

The report was dated on June 17, 2004. The report expressed an unqualified opinion on the financial statements and the federal awards. There were two findings which did not concern City pass-through funds specifically. No questioned costs, and no instances of noncompliance considered material to the financial statements or federal awards were reported. The Agency was considered to be a low-risk auditee. However, the SLAAA program was omitted from the Schedule of Expenditures of Federal Awards. The Internal Audit Section reviewed the audit report on August 17, 2004 and recommended that the DHS follow up on this omission and evaluate whether an amended schedule be provided.

Summary of Current Observations

We made a recommendation for the following observation, which if implemented, could assist Grace Hill Patch Center in fully complying with federal, state, and local DHS requirements.

- The Agency's Non-Federal / Program Income Reports were not accurately documented.

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**DETAILED OBSERVATION, RECOMMENDATION,
AND MANAGEMENT'S RESPONSE**

The Agency's Non-Federal / Program Income Reports were not Accurately Documented

The Department of Human Services policy guidelines require the Agency to submit accurate monthly financial reports. Total income collected and documented for the month of August 2004 did not match the amount reported to DHS. The Agency's daily receipt totaled \$447.25. The Agency reported the income under the 'In-Kind Donations' line of the Non-Federal Report. The Agency reported \$767.75 for Program Income on the 'Program Income' line, which is the amount of the total deposits for that month. Also, the Agency did not report its NFIK on the Non-Federal Report. This is a case of non-compliance with DHS policy guidelines, and can affect the Agency's ability to meet its matching requirement. However, we recalculated the match using the appropriate numbers and determined the match was met.

Recommendation

We recommend the Agency report its program income when received. The program income reported to DHS should be the same as the total of the Daily Contribution Report for the month and should be documented on the 'Program Income' line of the Non-Federal Report. We also recommend the Agency report its NFIK on the 'In-Kind Donations' line of the report, or else enter a 'zero.'

Management's Response

On January 3, 2005, we provided the Agency with our observations and requested a response by January 14, 2005. However, as of the date of this report, Management had not responded.